

To: Rhode Island Renewable Energy Fund Advisory Board
From: Nancy Selman
Date: April 2004
Re: Meeting Minutes for March 9, 2004

Next meeting dates: Second Tuesday of every month. For 2004: 4/13, 5/11, 6/8, 7/13, 8/10, 9/14, 10/12, 11/9, 12/14

In attendance: See attached Attendance List.

- 1) March Update and February Minutes
 - a) February Minutes –In #9 the vote was to provide \$240,000
 - b) March Update - In #3 Johnson and Wales wind project – the Update should state that the financial projections do not take into consideration sale of RECs.
- 2) State Office Building PV proposal - There was discussion of whether the Fund should pay for 100% of the project costs as was requested. The general consensus was that the Fund should not provide 100% of the cost of the project for a variety of reasons including the following:
 - a) The Fund should not pay for portion of project which results in savings on the electric bill
 - b) Providing 100% grants historically has resulted in lack of ownership which leads to lack of maintenance
 - c) Should require state to use the PV RFP which has prescribed grant maximumsThe Board would like to see more commitment from the State to the project.
- 3) The Federal Lithograph Facility is being redeveloped and the Fund has been approached to provide a grant to put PV on the roof. The new facility will be a walk-in clinic and multi-use facility. A proposal is forthcoming.
- 4) Small Customer proposals – Sterling Plant and PP&L. Bob Grace made a presentation which outlined the offerings of each of the companies in a table that allowed for comparison of the two. A recommendation was made to accept both into program.
 - a) The issue of the cap on the incentive was raised (the incentive is capped to prevent the circumstance where the cost of the product sold over a period of 2 years is less than the incentive). The concern was expressed that the cap could be a disincentive to lowering the price of the product; on the other hand, it was expressed that an incentive which pays for the entire cost of the product (over a period of 2 years) is not appropriate. A decision was made to not lift the cap at this time, but to let PP&L request a change if they were so inclined.
 - b) The issue of a waiver from the security requirements (securing the incentive for 2 years) was raised – and the issue of waivers was deferred. An alternative way of handling the security requirement was proposed: give _ instead of _ after 6 months, the balance at the end of the two-year period.
 - c) Doug Hartley brought up the issue of the marketers wanting customer account numbers with the provision of a “wet signature” to Narragansett Electric. Doug and Cindy Wilson from the PUC have discussed a proposed method of providing account numbers: releasing the account number to the customer and the marketer at the same time with a waiting period for the marketer during which the customer can rescind his decision to buy. PUC staff would like to talk to all parties (marketers, Fund, Narragansett) if useful. The SEO thinks the issue is most appropriately dealt with among the commission, marketers and the utility, not including the Fund. The commission made clear that it wants to protect the consumer.

- 5) RIPIRG Earth Day breakfast – The Board approved a grant request of \$1000 for sponsorship of this event.
- 6) Large Customer Program, RECA Proposal – Bob Grace presented an overview of the responses to the RFP by RECA for green power products. An incentive structure has been developed with input from a subcommittee and Think Energy:
 - a) Must be for New England-based generation (provided through the NEPOOL GIS system) and the contracts must be in place in May 2004.
 - b) Incentives increase with/provide bonuses for:
 - i) Amount of renewables
 - ii) Amount of new renewables
 - iii) Length of term
 - iv) Bonus for Green-e certification
 - v) Bonus for EPA Green Power Partnership
 - c) The Board will approve the incentive structure for use by the customers with final approval of each incentive for each customer by the Board.
 - d) The Board voted for a subcommittee to come up with new numbers consistent with the proposed structure. If new numbers cannot be agreed on, the proposed incentive structure and numbers will be adopted as presented.
- 7) Energetech – A request was made to have Ocean Engineering students who are studying the Point Judith project to send an email to the Fund that outlines their concerns with the project.

Decisions:

- 1) The Fund will not provide a grant for 100% of the cost of the State Office Building PV project, a proposal should be submitted through the PV RFP process.
- 2) The Small Customer Applications of PP&L and Sterling Planet were approved. The cap on the incentive will remain and no waivers of credit support will be given. The Fund will not participate in the discussions regarding marketers getting account numbers from Narragansett.
- 3) RIPIRG will receive a grant of \$1000 for its Earth Day Breakfast.
- 4) A structured incentive under the Large Customer Program will be determined by a subcommittee for the RECA aggregation. If the subcommittee cannot agree on a new incentive structure, the incentive structure proposed by Bob Grace will be adopted.

Actions:

- 1) A letter will be provided to RIPIRG documenting the \$1000 grant.
- 2) The PV project proponent for the State Office Building will be asked to submit a proposal under the PV RFP.
- 3) A subcommittee will meet to decide on a Large Customer incentive structure for the RECA aggregation.
- 4) The URI Ocean Engineering class studying the Point Judith project will be asked to provide comments and concerns to the Board.

Attendance -March 10, 2004

Canada, Kate
Capobianco, Julie
Condon, Pat
Farley, John
Grace, Bob
Hartley, Doug
Jacobson, David
Keller, Janet
Lueker, Bill
McClanaghan, Janice
Moskal, John
Rose, Vincent
Ryan, Eleanor
Selman, Nancy
Stearns, David
Teichert, Kurt
Vild, Bruce
Ward, Harold
Warfel, Chris